



ESSEX COUNTY IN THE PARK
INDUSTRIAL DEVELOPMENT AGENCY

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**Essex County IDA Board Meeting
September 26, 2018 at 9:00AM
7566 Court Street, Elizabethtown, NY**

Present: Darren Darrah
John Boyea
Jamie Rogers
James Bowen
Gerald Morrow
Matthew Courtright

Also Present: Jody Olcott
Carol Calabrese

Open of Meeting

Chairman Darren Darrah opened the meeting at 9:02AM.

Public Comment

No Comment

Approval of Minutes

1. August 30, 2018 Meeting Minutes
2. September 7, 2018 Special Meeting Minutes

Motion #2018-71: A motion to approve the August 30, 2018 meeting minutes was made by Jamie Rogers and seconded by John Boyea. All members were in favor.

Motion #2018-72: A motion to approve the September 7, 2018 meeting minutes was made by Jamie Rogers and seconded by Gerald Morrow. All members were in favor.

Presentation

1. Saranac Lake Resort Owners (North Elba) – Jacob Wright has been working 3.5 years on the project. Proposed project will be the first LEED certified hotel in the Adirondack Park. Complex will be 37,000 square feet with 93 rooms, 2 restaurants and marina. Total project is \$20.3 million on 4.17-acre lakefront property. All demolition and construction permits as well as financing are in place. Project is requesting sales tax exemption incentive estimated at approximately \$800,000. Project representative spoke to Supervisor Politi regarding request for incentive. Project includes demolition of 3 existing motels with appropriate clean up and will include 100 parking spots. Proposed new jobs: 71 FT and 15 PT. Project received funding from REDC: \$2 million and \$700,000 CDBG. Company is hiring marketing team and will start digital branding and will decide final name of resort. Project construction is approximately 1 year.

Motion #2018-73: Resolution taking official action authorizing the Agency to take title to certain leased property through a “straight-lease” arrangement as defined in section 854(15) of the general municipal law of the State of New York, as amended, in order to provide financial assistance for the purpose of financing the acquisition, construction, reconstruction, equipping and furnishing of a hotel in the village of Saranac Lake, New York for Saranac Lake Resort Owner, LLC, a Delaware limited liability company. WHEREAS, the Saranac Lake Resort Owner, LLC, a Delaware limited liability company (the “Company”) located in Lake Placid, New York, and its successors and assigns has applied to the Essex County Industrial Development Agency (the “Agency”) on July 20, 2018 for a “straight-lease” arrangement as defined in Section 854(15) of the General Municipal Law of the State of New York (the “State”), as amended, in order to receive financial assistance for the purpose of financing the costs of the: (i) the acquisition, construction and equipping of a 93-key LEED certified hotel with 3,000 square feet of meeting space, full-service spa, fitness center, banquet facilities, two food and beverage outlets and a 36-slip marina to be located on Lake Flower in the Village of Saranac Lake, County of Essex, New York, to be operated by the Company as a hotel (the “Facility”); (ii) the acquisition and installation of various machinery, equipment and furnishings for the Facility, including substantial rehabilitation (the “Equipment”), and (iii) certain necessary preliminary and incidental expenses related thereto (the Facility and the Equipment hereinafter collectively referred to as the “Project”); and WHEREAS, the Company requires and has requested of the Agency financial assistance in the forms of (i) a payment in lieu of taxes agreement (“PILOT”); (ii) mortgage recording tax exemption, and (iii) sales tax exemption for materials used in construction of the Facility to complete the acquisition, construction and equipping of the Project; and WHEREAS, the Company, is a Delaware limited liability company authorized to do business in the State of New York; and WHEREAS, the Facility is located entirely within that portion of the Village of Saranac Lake that is within the boundaries of the County of Essex, New York; and WHEREAS, pursuant to Article 18-A of the General Municipal Law of the State of New York and Chapter 563 of the Laws of 1973 of the State of New York, as amended (collectively, the “Act”), the Agency is authorized and empowered to finance the acquisition, construction and equipping of such facility within the County of Essex, New York through a “straight-lease” arrangement; and WHEREAS, the members of the Agency have approved the application of the Company and have agreed to enter into a “straight-lease” arrangement for the purpose of financing the acquisition, construction and equipping of the Project for the Company. NOW, THEREFORE, BE IT RESOLVED by the Essex County Industrial Development Agency as follows: The Agency has found and determined that the Company’s project constitutes a “project” within the meaning of the Act and shall accomplish the public purpose of the Agency as presented in the Act; and will promote job opportunities, tourism, lodging, recreation, health, general prosperity and the economic welfare of the inhabitants of the County of Essex and the State of New York and improve their standard of living and will thereby serve the public purpose of the Act; and that it is desirable and in the public interest to enter into a “straight-lease” arrangement with the Company for the purpose of financing the acquisition, construction and equipping of the Project, together with necessary preliminary and incidental expenses in connection therewith. The Agency (i) shall lease the property comprising the Project to the Company through a “straight-lease” arrangement (as defined in Section 854(15) of the General Municipal Law of the State) for good and valuable consideration and certain “financial assistance” (as defined in Section 854(14) of the General Municipal Law of the State), whereby (i) the Company will be obligated to ground lease the Project to the Agency and enter into a ground lease project development agreement with the Agency, and (ii) the Agency shall join in a mortgage from the Company, subordinating its ground lease interest in the Project, as security for the financing provided by the Company’s financial institution in such manner as the Agency and the Company mutually deem appropriate. The Company is hereby appointed the true and lawful agent of the Agency (i) to acquire, construct and equip the Project; and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency and

in general to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity as the Agency could do if acting on its own behalf. The Agency in reviewing the Company's application has preliminarily determined that the Company meets the provisions of Section 862(2) of the General Municipal Law or that such provisions are not applicable. Any financial Assistance that the Agency may provide to the Company shall be subject to the "clawback" provisions of Section 875 of the General Municipal Law, and the Company shall at all times cooperate with and indemnify and hold harmless the Agency in the Agency's colorable and good faith compliance with said Section 875. Squire Patton Boggs (US) LLP is hereby appointed Special Transaction Counsel in relation to the Project. Briggs Norfolk LLP is hereby appointed as counsel to the Agency in relation to the Project. The Chairman of the Agency is hereby authorized and directed to distribute copies of this resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this resolution. This resolution is hereby adopted subject to the requirements of the State Environmental Quality Review Act (SEQRA), as amended, Article 8 of the Environmental Conservation Law of the State and all regulations thereunder. In the event that there is jurisdiction of this Project under the APA Act, this resolution shall be subject to compliance by the Company with the determinations and conditions imposed by that agency. The Agency shall prepare and publish a notice of public hearing in compliance with Section 859-a of the General Municipal Law of the State and shall hold such public hearing prior to the closing of the Project. The Agency must have approved the Project after such public hearing at a regularly scheduled meeting of the Agency.

NOTICE IS HEREBY GIVEN to all interested parties that a public hearing, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") and Section 859-a of the General Municipal Law will be held by the Essex County Industrial Development Agency (the "Agency") on November 8, 2018 at 9:00 o'clock a.m., local time, at the offices of the Agency located at 7566 Court Street, Elizabethtown, New York 12932.

This inducement resolution and scheduling of the TEFRA notice/hearing was made by Darren Darrah and seconded by Gerald Morrow. All members were in favor.

Financial Services/Programs

1. Monthly Loan Report & Defaults
 - a. Westport Golf & Hospitality (Westport) – Rob Briggs noted that the guarantor is pursuing Consolidated Mortgage and IDA must wait to receive final payment until court case is resolved.
 - b. Adirondack Meat Company (Ticonderoga) – As per previous special board meeting and directive by IDA Board for Briggs Norfolk to contact Essex County DA's Office to pursue criminal charges because of the missing equipment, IDA Staff will be meeting with Ticonderoga Police Department tomorrow to give depositions and begin process of criminal charges against Peter & Denise Ward under NY Penal Law 185.05.
2. Straight Lease Back Transactions
 - a. Pre-Tech Plastics (Moriah) – IDA is hoping to close by the end of next week. Need mortgage and deed from Jen Briggs and PILOT Agreement from bond counsel.
 - b. Northwoods Inn (North Elba) – Final approval of project and sales tax exemption only

Motion #2018-74: WHEREAS, the Essex County Industrial Development Agency (the "Agency") is a corporate governmental agency, constituting a public benefit corporation created pursuant to Chapter 563 of the Laws of 1973 of the State of New York (the "State"), as amended, and is authorized and empowered by the New York State Industrial Development Agency Act, Chapter 1030 of the Laws of 1969 of the State (Title 1 of Article 18-A of the New York General Municipal Law of the State), as

amended (the "Act"), to promote the economic welfare and prosperity of the inhabitants of Essex County, New York (the "County") and to actively promote, attract, encourage and develop economically sound commerce and industry within the County; and WHEREAS, the Agency desires to assist Lake Placid Hotel Partners, a New York limited liability company, and its successors and assigns (the "Company"), located in Lake Placid, New York in its acquisition, construction, equipping and furnishing of the Project (hereinafter defined); and WHEREAS, the Company desires (a) to acquire, construct, equip and furnish an approximately 92 room hotel with restaurant amenities and retail space to be acquired and renovated at 2520 Main Street, Lake Placid, New York and (b) to obtain certain necessary preliminary and incidental expenses related thereto (hereinafter collectively referred to as the "Project"); and WHEREAS, pursuant to the Act the Agency is authorized and empowered to finance the Project through a "straight-lease transaction" (as defined in Section 854(15) of the General Municipal Law of the State of New York); and WHEREAS, the Agency took official action toward approving the application of the Company and agreeing to enter into a "straight-lease transaction" with the Company and grant a mortgage on the Project to secure conventional financing therefor by resolution at a meeting duly held on July 18, 2018; and WHEREAS, the Agency in reviewing the Company's application has preliminarily determined that the Company meets the provisions of Section 862 (2) of the General Municipal Law or that such provisions are not applicable. Any financial assistance which the Agency may provide to the Company shall be subject to the "clawback" provisions of Section 875 of the General Municipal Law, and the Company shall at all times cooperate with and indemnify and hold harmless the Agency in the Agency's colorable and good faith compliance with said Section 875; and WHEREAS, in order to assist the Company, the Company has agreed to ground lease the Project to the Agency pursuant to a Ground Lease Project Agreement, between the Agency and the Company, for good and valuable consideration and certain "financial assistance" (as defined in Section 854(15) of the General Municipal Law of the State of New York), whereby the Company will be obligated to ground lease the Project to the Agency; and WHEREAS, the Agency's retention of a ground lease interest in the Project will enable the Agency to pass on State law tax benefits; to wit, sale tax exemption used in the construction of the Project, to the Company; and WHEREAS, the Agency is authorized to grant a mortgage and security interest in and with respect to the Project and assign the Ground Lease Project Agreement to a lender secured by the Company, as collateral, as may be required by such lender; and WHEREAS, all determinations necessary to be made by the Agency under t Article 8 of the State Environmental Quality Review Act ("SEQRA") and the regulations promulgated thereunder by the New York Department of Environmental Conservation have been made and appropriate resolutions have been adopted by the Agency pursuant to SEQRA; NOW, THEREFORE, BE IT RESOLVED by the Essex County Industrial Development Agency, as follows: Section 1. Ground Lease and Ground Lease Project Agreement and Terms Thereof. The Agency hereby authorizes and approves the assistance to be provided to the Company and the ground lease by the Company to the Agency of the Project pursuant to the Ground Lease and Ground Lease Project Agreement. The Agency finds and determines, after a public hearing dated August 30, 2018 as required by Section 859-a of the General Municipal Law of the State, that such assistance under the terms of the Ground Lease and Ground Lease Project Agreement, limited to sales tax exemption for materials used in the construction of the Project, will further the public purpose of the Act by preserving permanent, private sector jobs and/or increase the overall number of permanent, private sector jobs in the State. The Ground Lease and Ground Lease Project Agreement in substantially the form attached hereto as Exhibit A is hereby approved with such changes as may be made by the Chairman of the Agency as authorized herein. Section 2. Agency Documents. To provide for the consummation of the transaction contemplated herein, the Chairman, Vice Chairman or any other appropriate officer of the Agency, alone or in conjunction with such officers, are hereby authorized and directed to execute, acknowledge and deliver, for and in the name and on behalf of the Agency, the Ground Lease and Ground Lease Project Agreement in substantially the form attached hereto as Exhibit A, and any documents in

connection with the financing of the Project by the Company (collectively, the “Agency Documents”) upon the advice of special counsel to the Agency, including, if applicable, a mortgage and security agreement and assignment of the lease and project agreement and any documents in connection therewith.. The Agency Documents are hereby approved with changes, including changes submitted by the Company or its counsel, which are not inconsistent with this Resolution, and are not substantially adverse to the Agency, which are permitted by the Act, and which are approved by the officer or officers executing the respective Agency Documents. The approval of those changes by the officer or officers and the character of those changes, as not being substantially adverse to the Agency, shall be evidenced conclusively by the execution of the respective Agency Documents by the officer or officers.

Section 3. Other Documents. The Chairman, Vice Chairman or any other appropriate officer of the Agency, alone or in conjunction with such officers, are authorized and directed to execute, deliver and, if applicable file, for and in the name and on behalf of the Agency, any certifications, financing statements, assignments and other instruments and documents which are necessary or appropriate to perfect the assignments contemplated in the Agency Documents and to consummate the transactions contemplated in the Agency Documents and, if applicable, the Loan Documents. Section 4. Compliance with Open Meeting Requirements. It is found and determined that all formal actions of the Agency concerning and relating to the adoption of this Resolution were adopted in an open meeting of the Agency, and that all deliberations of the Agency that resulted in those formal actions were in meetings open to the public, in compliance with the law. Section 5. Effective Date. This Resolution shall take effect and be in force immediately or at the earliest time permitted by law.

This motion was made by Jamie Rogers and seconded by Gerald Morrow. All members were in favor.

Business Park Development

1. Moriah Business Park
 - a. Lot #1 Building (Pre-Tech Plastics) – Pre-Tech Plastics has contracted with landscaping and mowing services at the building. IDA will no longer be responsible for lot #1 property. IDA will still need services for front entrance as well as lot #4.
 - b. Lot #4 Building (High Peaks Hospice) – Fire protection currently off line because High Peaks Hospice moved to voice over data for their phone lines. Security Concepts researching equipment to convert system. CV-TEC students working on office renovation. IDA is bringing specialized trades to do in service seminars to students. Last week AES Northeast architect Erin Allison held training on the floor plan measuring and scale.
 - c. Lots #3, #5, & #6 (Whistlepig) – Working with adjoining property owners to potentially secure additional land for an additional 4 proposed buildings. Lot #7 will not accommodate 4 buildings. Currently, Whistlepig has 5 buildings completed with one remaining building on lot #6 to be completed late 2018. Jen Briggs working on closing documents for the sale of lot #6 to Whistlepig.

Business Development Updates

1. Marketing
 - a. Internet Based Marketing Monthly Report – No Comments
2. Grant Administration
 - a. ADK HUB Micro-Enterprise Grant Round 2 – 13 businesses have drawn down their funds and 1 remaining business (Trail Head Resort) has until October 31, 2018 to complete project.

3. Workforce Development – International Paper held hiring fairs at Moriah Central School and Town Hall to apply for open positions. A two-day training class was held with 17 potential applicants. Working on hosting superintendents at International Paper in the fall.

Financials

1. August Financial Statements – No Comments
2. 2019 Budget Request – Request submitted as last year

New Business

1. September Abstract for Payment

Motion #2018-75: A motion to approve the August Abstract for Payment was made by John Boyea and seconded by Matthew Courtright. All members were in favor.

2. New Board Member –James Monty, Supervisor of Lewis

Motion #2018-76: A motion to propose James Monty, Supervisor of the Town of Lewis as new board member was made by Gerald Morrow and seconded unanimously. Gerald Morrow will take name to the Essex County Board of Supervisors for approval.

3. Tahawus Railway (Newcomb) – A letter from Newcomb previously distributed to the Board requesting support.

Motion #2018-77: Resolution of the Essex County IDA Board of Directors opposing the New York State Department of Environmental Conservation Abandonment Application STB Docket No. AB 1261 with the Surface Transportation Board of the 30-mile section of railroad commonly known as the Sanford Lake Branch, and to permit the continued operation by another operator to transfer materials from the hamlet of Tahawus, New York in the Township of Newcomb. Whereas on September 7, 2018 the New York State Department of Environmental Conservation filed an Application to Abandon Services of the Sanford Lake Branch, STB Docket No. AB1261 before the Surface Transportation Board; Whereas the New York State Department of Environmental Conservation application is seeking adverse abandonment of the authority of the Saratoga and North Creek Railway, LLC to operate over the Sanford Lake Branch; Whereas a proposal from Omnitrax, a Denver Colorado based company, submitted to the Warren County Board of Supervisor includes their intent to purchase the assets of the rail line from North Creek to the Tahawus mine for continued operation; Whereas for the last decade Paul Mitchell of Mitchell Stone Products of Tupper Lake, N.Y. has been removing the stone known as tailings from the old mine under contract with NL Industries; Whereas Paul Mitchell owner of Mountain Endeavors LLC, has purchased the former NL Industries titanium and iron mine site in the hamlet of Tahawus where an estimated 100 million tons of recyclable material aggregate remains; Whereas the use of the Sanford Lake Branch to transport the material aggregate can result in the potential to create significant economic benefit for Essex County, the Town of Newcomb community and our region; Whereas both the New York State Department of Environmental Conservation (NYSDEC) and the New York State Department of Transportation (NYSDOT) urged the Surface Transportation Board to approve Saratoga & North Creek Railway LLC (SNCR)'s Notice of Exemption for operation of the Tahawus Line on March 15, 2012; and Whereas both the New York State Department of Environmental Conservation (NYSDEC) and the New York State Department of Transportation (NYSDOT) in its joint letter agreed that the environmental, economic, recreational and safety issues associated with the rail operations from an environmental perspective could result in a dramatic reduction of truck traffic in this sensitive area of the Adirondack Park, thereby reducing harmful emissions, lowering the region's carbon footprint and greatly diminishing dust and noise, while unsightly piles of

aggregate are removed; and Whereas both the New York State Department of Environmental Conservation (NYSDEC) and the New York State Department of Transportation (NYSDOT) also stated in their joint letter of support that "the resumption of the rail line will also add to the year round employment base of the region, improve the safety and environmental costs of aggregate removal, ensure that this product is recycled, and reduce expensive road maintenance costs; and Whereas the Surface Transportation Board has abandonment authority and jurisdiction to consider alternatives to a proposed third party abandonment; now, therefore, be it Resolved the Essex County IDA Board of Directors urges the Surface Transportation Board to deny the application of the New York State Department of Environmental Conservation request for adverse abandonment of the authority of the Saratoga and North Creek Railway, LLC to operate over the Sanford Lake Branch; and it is further Resolved the Essex County IDA Board of Directors urges the Federal Surface Transportation Board to exercise its jurisdiction over the Sanford Lake Branch leading from Tahawus to North Creek, support the future use of the Sanford Lake Branch by a viable rail operator to remove the material aggregate from the Mountain Endeavors LLC at Tahawus and reject the adverse abandonment request of this line. This resolution was made by Darren Darrah and seconded unanimously.

4. Next Meeting – Thursday, November 8, 2018 at 9:00AM at IDA Office.

Adjourn Meeting

Motion #2018-78: A motion to adjourn the meeting at 10:40AM was made by Darren Darrah and seconded by Gerald Morrow. All members were in favor.